

U.S. Department of Transportation

Research and Special Programs Administration

FY 2004 Competitive Sourcing Plan

Revised February 18, 2004

BACKGROUND

The Research and Special Programs Administration (RSPA) has a diverse mission. It serves as the Department's research, hazardous materials and pipeline safety, and transportation systems and services administration – responsible for addressing transmodal issues relative to the safe, effective and efficient transportation of people and goods throughout the world.

RSPA has three major facilities that carry out its mission. RSPA Headquarters is located in Washington DC (including several regional offices throughout the United States), RSPA's Transportation Safety Institute (TSI) is located in Oklahoma City, OK, and RSPA's Volpe National Transportation Systems Center (Volpe Center) is located in Cambridge, MA. Both TSI and the Volpe Center are fee-for-service government organizations.

RSPA is committed to implementing the President's Management Agenda (PMA) Competitive Sourcing Initiative. In Fiscal Year 2003, RSPA identified 38 FTE to be competed. RSPA completed 3 "Express Studies" totaling 9 FTE and directly converted 26 FTE, thus competing 35 of 38 FTE and demonstrating its commitment to the Competitive Sourcing initiative. The remaining 3 FTE planned for direct conversion were not converted due to the revised OMB Circular A-76 (dated May 29, 2003) which no longer recognized direct conversion as a competitive sourcing tool.

This Plan is submitted in accordance with the OMB Revised Circular A-76 dated May 29, 2003. RSPA will follow the OMB Circular, as well as DOT's Competitive Sourcing Policy (draft), in implementing this plan.

Current Contractor Support

Over the past ten years, RSPA has developed a heavy reliance on contractors to perform commercial activities. In 2003 RSPA employed over 1,600 contractor FTE to assist in fulfilling its mission. RSPA's 2003 FAIR Act Inventory identified a total of 983 federal FTE. Therefore, contractor positions substantially outnumber Federal employees.

In addition, RSPA monitored and managed nearly 500 active contracts in 2003 totaling nearly \$300 million. In developing RSPA's Human Capital Plan and this Competitive Sourcing Plan, RSPA has ensured that it has adequate Federal staff to oversee its growing contractor base.

2003 FAIR Act Inventory Overview

RSPA submitted its FY 2003 FAIR Act Inventory with 983.8 FTE, of which 520.25 FTE were coded Inherently Governmental and 463.6 FTE were coded Commercial. Within the Commercial inventory, 88.1 FTE were coded Commercial - Reason Code B (suitable for competition). The FTE coded Commercial – Reason Code B are in all three RSPA Facilities (Headquarters, TSI, and the Volpe Center). A summary is provided below:

Location	Commercial – Reason Code B FTE
RSPA HQ	14.70
Volpe Center	60.00
TSI	13.45
TOTAL	88.15

Proposed RSPA Re -Organization

On December 8, 2003, the Secretary of Transportation announced a proposed reorganization of the Department which has significant implications to RSPA. RSPA's Office of Pipeline Safety would join the Federal Railroad Administration to form the Federal Railroad and Pipeline Administration; the Office of Hazardous Materials, and Office of Emergency Transportation would leave RSPA and become entities of the Office of the Secretary (OST). The remaining offices would be joined with the Bureau of Transportation Statistics (BTS) and the FHWA ITS Joint Program Operations (JPO) to form the Research and Innovative Technology Administration.

RSPA has evaluated the impacts of this proposed reorganization in regards to Competitive Sourcing and is committed to completing its planned competitions in 2004. In addition, because program offices would remain intact, the portions of RSPA's Competitive Sourcing Plan that applied to those program offices could easily transfer with them.

SUMMARY OF THE MANAGEMENT PLAN

Sound decision making is integral to RSPA successfully implementing the Competitive Sourcing initiative. RSPA's Competitive Sourcing Coordinator (RSPA CSC) chairs RSPA's Competitive Sourcing Working group and has designated team leaders at each RSPA facility. In addition, the RSPA CSC also serves on RSPA's Human Capital Steering Group to ensure RSPA's Competitive Sourcing Plan is integrated with RSPA's Human Capital Plan.

Competitive Sourcing Infrastructure

RSPA has established a Competitive Sourcing infrastructure in order to implement and manage this initiative. The Department of Transportation's Competitive Sourcing Official (CSO) designated the RSPA Competitive Sourcing Official (RSPA CSO). RSPA's CSO then designated the following roles and responsibilities:

- RSPA Competitive Sourcing Coordinator
- RSPA Legal Advisor
- RSPA Human Resources Advisor
- RSPA Source Selection Authority

The people in these positions will be held accountable for implementing the Competitive Sourcing Plan through their performance plans. In addition, RSPA has established the following functions to assist with the implementation of Competitive Sourcing:

- Competitive Sourcing Working Group
- Team Leaders at Headquarters, TSI, and the Volpe Center

Competition Overview

RSPA is planning on competing 100% of its Commercial – Reason Code B functions as identified in its 2003 FAIR Act Inventory through 2 Streamlined Competitions in FY 2004, and 2 Streamlined Competitions in FY 2005. The planned Streamlined Competitions in 2004 will be initiated during the period April 1 to June 30, 2004. One of these competitions will be conducted at RSPA Headquarters in

Washington DC (14.7 FTE), and the other will be conducted at RSPA's Volpe Center in Boston, MA (30 FTE).

RSPA will also conduct two Streamlined Competitions in FY 2005. One of these competitions will be conducted at RSPA's Transportation Safety Institute (TSI) in Oklahoma City, OK, and the other will be conducted at the Volpe Center.

The Streamlined Competition planned at TSI is planned for FY 2005 to take advantage of market research that is being performed for similar type work by the Federal Aviation Administration (FAA). TSI is co-located with FAA in Oklahoma City, OK, and FAA is recompeting one its contracts that provides a wide variety of administrative support to both FAA and TSI. FAA intends to award a contract based on full and open competition with cost as a selection criteria. The functions at TSI that RSPA intends to compete are administrative and are easily matched to positions under FAA's contract.

In lieu of expending significant resources and costs by conducting its own solicitation, TSI will conduct a Streamlined Competition utilizing the awarded contract of FAA as the basis of its market research. FAA anticipates awarding its contract in November 2004.

The second Streamlined Competition at the Volpe Center is for 30 FTE under the function code R660D "RDT&E Information Systems Engineering". The Department and RSPA Senior Executives are conducting a management assessment of the Volpe Center. The RSPA Volpe Center Management Assessment Team, an outside RSPA review team, the OST Executive Task Force, and the DOT Office of Inspector General (OIG) are all conducting reviews of processes and operations. RSPA has decided to postpone the competition of the 30 FTE under function code R660D at the Volpe Center until it has implemented the recommendations of these teams. RSPA anticipates initiating this competition in June 2005.

RSPA will conduct all of its competitions in accordance with OMB's Revised Circular A-76 (dated May 29, 2003) and DOT's Competitive Sourcing Policy (draft). In addition, RSPA will conduct these competitions with a Competitive Sourcing team in each location. The team leaders will report progress to RSPA's Competitive Sourcing Coordinator (RSPA CSC), who will then provide updates to RSPA's Competitive Sourcing Official (RSPA CSO).

Furthermore, RSPA will continue to use Competitive Sourcing as a tool to compete commercial functions that are suitable for competition as identified on the annual FAIR Act Inventory. In addition, within 5 years RSPA intends to revisit the functions that were competed through "Express Studies" in FY 2003 to determine if those functions are appropriate for re-competition. Finally, RSPA will review any new functions provided through congressional mandate to determine if those functions are appropriate for competition.

This plan provides a strategy to compete all commercial functions that were identified as "suitable for competition" in RSPA's 2003 FAIR Act Inventory. RSPA plans to compete 44.70 FTE in 2004 and 43.45 FTE in 2005 which, when added to the 35 FTE competed in 2003, represents 26% of RSPA's commercial FTE, and 100% of RSPA's Commercial B functions.

RSPA Human Capital Plan Integration

RSPA has prepared this Competitive Sourcing Plan in coordination with RSPA's Human Capital Plan to ensure that all functions that have been identified for competition are appropriate, given RSPA's diversity and people with disabilities goals, expected attrition, and the need to meet its mission.

According to RSPA's Human Capital Plan, the following information provides a summary of RSPA's demographic makeup:

RSPA Demographic Makeup

Demographic	Percentage
Male	62%
Female	38%
White	78%
Black	11%
Hispanic	5%
Asian	7%
American Indian/Alaska Native	0.3%
Persons with Disabilities	5%

In conducting our workforce planning demographic analyses, RSPA determined that females, blacks and Hispanics were very well represented in administrative support occupations, so it is clear that any activity that resulted in the departure of administrative support employees could have an impact on overall RSPA diversity.

Where the two smaller competitions are planned (HQ and TSI) RSPA has a general idea of the effect on its demographics, should the government lose a competition. However, where the two larger competitions are planned (Volpe in FY '04 and Volpe in FY '05) it is not yet clear which of the current total number of employees performing the functions would be affected should the government lose in a competition. The reason for this is that there are several possible determining factors in this process that would have to run their course before we would be able to assess the final impact on the current workforce demographics of the planned competition(s).

Finally, RSPA anticipates that it will use existing staff to fill the various roles required in a competition, and to conduct the required data gathering, agency offer, and analysis of these competitions. However, RSPA may seek contractor support should these competitions place too much burden on its employees and their ability to fulfill RSPA's mission.

Communication Plan

Communication with all stakeholders is integral in successfully implementing this initiative. Working closely with union representatives and employees, RSPA was successful in conducting 3 Express Studies in FY 2003 at the Volpe Center. In 2004, RSPA intends to conduct fair and efficient competitions.

Union representation will be requested and we will communicate with affected employees by providing access to regularly updated information about the process. Should federal employees not win competitions, RSPA will provide the following options for addressing issues created because employees are displaced: RSPA will provide support through consideration for reassignment within RSPA; by seeking approval for early out and buyout authority; and, if necessary, by providing other career transition services.

RSPA will follow the guidance in OMB's Revised Circular A-76 in notifying Congress, RSPA employees, and other appropriate agencies. RSPA is developing a comprehensive communication plan that includes specific dates to notify all RSPA employees, specific office managers, potentially affected employees, unions, and members of Congress.

POINT OF CONTACT

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COMPETITIVE SOURCING PLAN EXECUTION COST

RSPA estimates using primarily in-house resources supplemented by contractor support to implement the Competitive Sourcing Initiative and the FAIR Act Inventory. RSPA conducted 3 “Express Studies” in 2003 and is using that historical data to assist in developing costs to execute this plan. RSPA estimates that it will cost \$6,500 per FTE competed, for a total cost of \$573,000 over fiscal years 2004 and 2005. In addition RSPA utilizes contractor support to assist with the Competitive Sourcing initiative. The cost for that support is estimated at \$120,000 per year for FY 2004 and FY 2005. Therefore, the total cost to execute this plan is estimated at \$813,000.

PRELIMINARY STANDARD COMPETITION STUDY MILESTONES

RSPA does not intend to conduct any Standard Competitions. This decision is based on two factors: first, RSPA currently operates in a very efficient and effective manner that does not warrant the complexities and excessive costs of a Standard Competition; and second, RSPA has limited funds and resources to implement this initiative, and conducting Standard Competitions would not be cost effective.

PRELIMINARY STREAMLINED COMPETITION STUDY MILESTONES

RSPA intends to conduct 4 Streamlined Competitions as defined in OMB Revised Circular (A-76) dated May 29, 2003. The preliminary milestones for each of the competitions are provided in Attachment 1.

COMPETITIVE SOURCING PLAN FTE PROJECTION

RSPA anticipates competing 88.15 FTE in this Plan, representing nearly 20% of its Commercial functions as coded in its 2003 FAIR Act Inventory and 100% of its Commercial B functions.

By implementing this plan, RSPA anticipates eventual cost savings, however, RSPA does not have a cost model or historical information that it can use to predict those cost savings. RSPA acknowledges that other agencies that have conducted standard competitions have realized cost savings between 20% and 30%. Based on this information, RSPA has developed the following table to show the estimated potential savings over 1, 5, 10, and 15 years.

	Estimated Potential Savings			
	Year 1	Year 5	Year 10	Year 15
Headquarters	(\$25,000)	\$285,000	\$569,000	\$854,000
Volpe Center	(\$52,000)	\$1,161,000	\$2,323,000	\$3,484,000
TSI	\$0	\$260,000	\$521,000	\$781,000
Total RSPA	(\$77,000)	\$1,706,000	\$3,413,000	\$5,119,000

These estimates are calculated very roughly. RSPA calculated the costs associated with the FTE being competed and assumed 20% savings. With these rough estimates, RSPA could expect to recover the costs of implementing this plan between years 3 and 5. Over 15 years, RSPA could hope to realize savings of \$5.1 million. However, this does not take into account any costs after the implementation of this plan or productivity losses associated with conducting the competitions or follow-on activities, should Federal employees be displaced.

Competitive Sourcing Plan FTE Projection				
Operating Administration	Number of FTEs	Function Code Title	Location or Site	Comments
RSPA	14.70	B000 Personnel Administrative Support D000 Administrative Support D100 Regulatory Activities Support F320 Contract Administration & Operations F399 Other Procurement & Contracting Activities B720 Civilian Personnel Operations S000 Administrative Support Y899 Other Administrative Support Activities V601 Information Technology Management	Washington, DC	
RSPA	30.00	B000 Personnel Administrative Support C000 Administrative Support F000 Administrative Support R000 Administrative Support S000 Administrative Support Y899 Other Administrative Support Activities	Cambridge, MA	
RSPA	30.00	R660D RDT&E Information Systems Engineering	Cambridge, MA	Competition postponed until implementation of the recommendations of the Volpe Management Assessment
RSPA	13.45	U000 Administrative Support W310 Computer Services & Database Management U302 Training Administration U800 Training Development & Support	Oklahoma City, OK	Competition planned for FY 2005 to take advantage of market research being conducted by FAA for similar functions.
Total	88.15			

Attachment 1

RSPA Headquarters Streamlined Competition

Preliminary Streamlined Competition Study Milestones			
Major Milestone	POC	Due Date	Completion Date
Preliminary Planning	Tom Scott 202.366.4538	April 1, 2004	
Make Public Announcement (Start Date)	Laura Birkhimer 202.366.6986	April 9, 2004	
Develop Cost Estimate	Tom Scott 202.366.4538	May 28, 2004	
Make Performance Decision (End Date)	Ed Brigham 202.366.4347	July 1, 2004	
Award Contract or Issue Agreement	Laura Birkhimer 202.366.6986	August 1, 2004	
Perform Post Competition Accountability	Tom Scott 202.366.4538	Annual	

RSPA Volpe Center Streamlined Competition #1 (Administrative Functions)

Preliminary Streamlined Competition Study Milestones			
Major Milestone	POC	Due Date	Completion Date
Preliminary Planning	Jeanne Fuller 617.494.2732	May 21, 2004	
Make Public Announcement (Start Date)	Jeanne Fuller 617.494.2732	May 21, 2004	
Develop Cost Estimate	Jeanne Fuller 617.494.2732	July 30, 2004	
Make Performance Decision (End Date)	Ed Brigham 202.366.4347	Aug. 19, 2004	
Issue Agreement or Award Contract	David Scali 617.494.2042	Jan.1 2005 May 1, 2005	
Perform Post Competition Accountability	Jeanne Fuller 617.494.2732	Annual	

RSPA Transportation Safety Institute (TSI) Streamlined Competition

Preliminary Streamlined Competition Study Milestones			
Major Milestone	POC	Due Date	Completion Date
Preliminary Planning	Linda Gulley 405.954.3153	1/31/05	
Make Public Announcement (Start Date)	DMA-30	2/07/05	
Develop Cost Estimate	DMA-30	3/14/05	
Make Performance Decision (End Date)	Ed Brigham 202.366.4347	4/07/05	
Award Contract or Issue Agreement	DMA-30	4/21/05	
Perform Post Competition Accountability	Linda Gulley 405.954.3153	Annual	

RSPA Volpe Center Streamlined Competition #2 (R660D - ISE Functions)

Preliminary Streamlined Competition Study Milestones			
Major Milestone	POC	Due Date	Completion Date
Preliminary Planning	Jeanne Fuller 617.494.2732	May 7, 2005	
Make Public Announcement (Start Date)	Jeanne Fuller 617.494.2732	June 1, 2005	
Develop Cost Estimate	Jeanne Fuller 617.494.2732	July 15, 2005	
Make Performance Decision (End Date)	Ed Brigham 202.366.4347	Sept. 1, 2005	
Issue Agreement or Award Contract	David Scali 617.494.2042	Jan. 15, 2006 May 15, 2006	
Perform Post Competition Accountability	Jeanne Fuller 617.494.2732	Annual	